

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BEAVER-ELKHORN)
WATER DISTRICT FOR A RATE ADJUST-) CASE NO. 90-406
MENT FOR NON-RECURRING CHARGES)

O R D E R

On December 11, 1990, Beaver-Elkhorn Water District ("Beaver-Elkhorn") filed an application to increase its charges for 3/4 inch and 5/8 inch service connections, reconnection of service, meter reading recheck and to establish a charge for the inspection of service lines.

Beaver-Elkhorn has met the requirements pursuant to 807 KAR 5:011, Section 10, regarding increases in non-recurring charges. Beaver-Elkhorn has filed a schedule which itemizes the expenses involved in providing reconnection of service and meter reading recheck. A review of the schedule indicates that the reconnection charge and meter reading recheck charge are equal to the expense of the charges, are fair, just, and reasonable, and should be approved.

A review of the schedules used for cost justification of the 5/8 inch and 3/4 inch service connection indicates that the charges are not equal to the expense of each charge. Beaver-Elkhorn's service connection fees for 5/8 inch meter and 3/4 inch meter include service pipe expense and installation expense that are not properly averaged. Therefore, the overhead expense is calculated from a wrong base number.

The Commission has adjusted those schedules to properly reflect the correct overhead expense. Based on these adjustments, the charges for 5/8 inch and 3/4 inch service connections as set out in Appendix A, attached hereto and incorporated herein, are equal to the expense of each charge, are fair, just, and reasonable, and should be approved.

Beaver-Elkhorn also filed a schedule which itemizes the expenses involved in establishing a service line inspection charge. A review of this schedule indicates that the proposed charge is equal to the expense of the charge, is fair, just, and reasonable, and that the service line inspection charge should be approved.

The Commission, having considered the evidence and being sufficiently advised, HEREBY ORDERS that:

1. The service connection fees for 5/8 inch meters and 3/4 inch meters proposed by Beaver-Elkhorn in its application are hereby denied.

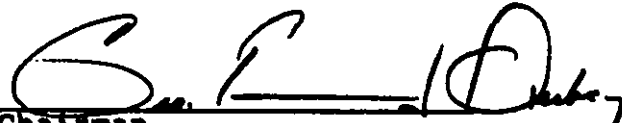
2. Beaver-Elkhorn is hereby granted an increase in its reconnection charge, meter reading recheck charge, service connection charge for a 5/8 inch meter, and 3/4 inch meter as set out in Appendix A.

3. Beaver-Elkhorn is hereby permitted to establish a service line inspection charge as set out in Appendix A.


4. Within 30 days from the date of this Order, Beaver-Elkhorn shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein with the effective date being the date of this Order.

Done at Frankfort, Kentucky, this 11th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-406 DATED 2/11/91

The following rates and charges are prescribed for the customers in the area served by Beaver-Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Service Connection

<u>Meter Size</u>	<u>Charge</u>
5/8 inch meter	\$425
3/4 inch meter	450
Service Line Inspection Charge	25

Non-Recurring Charges

Meter Reading Recheck	\$25
Service Reconnect Charge	25